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C O N F I D E N T I A L SEOUL 001454

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E.O. 12958: DECL: 05/01/2016  
TAGS: PGOV KS  
SUBJECT: URI PARTY DEFIES PRESIDENT ROH -- AGAIN

REF: A. SEOUL 55

1B. 05 SEOUL 4969  
1C. SEOUL 287

Classified By: POL M/C Joseph Y. Yun. Reasons 1.4 (b/d).

11. (C) SUMMARY: The split between President Roh and his Uri Party appears to be widening, as the ruling party rejected Roh's pleas for compromised with the opposition on a controversial law to reform the private school system. Uri lawmakers are said to be angry that Roh has proposed a compromise that could be seen as a victory for the Grand National Party (GNP) and further dampen Uri's prospects in the crucial May 31 regional elections. If, as widely expected, the GNP defeats Uri again, it would be a significant blow to the budding presidential bid of Uri leader Chung Dong-young. It could also intensify the Roh-Uri split, making it harder for Roh to advance his legislative agenda. END SUMMARY.

URI REJECTS COMPROMISE WITH GNP

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12. (U) Refusing a personal plea from President Roh, the ruling Uri Party over the weekend rejected a Blue House proposal to compromise with the main opposition Grand National Party (GNP) on the Private School Law, set to go into effect in June. The Uri-sponsored law creates controversial oversight mechanisms over Korea's private schools, a move that conservatives claim would impinge upon academic freedom and private property rights and progressives say is necessary to enhance management accountability. Uri, with the help of minor opposition parties, passed the legislation in December 2005, resulting in a boycott by the GNP that paralyzed the National Assembly for almost two months (REF A).

13. (U) The GNP had agreed to end its boycott in January, following an agreement by Uri to consider amendments to the law. Even then, Uri made clear that it had no intention of making any significant changes. The GNP submitted a new draft of the law on February 24, which Uri ignored. The opposition on April 27 submitted another draft addressing the law's most controversial provision: the appointment of outsiders to the board of directors. Uri responded by asserting that it could not accept the GNP's proposal to broaden the scope of those who could recommend outside directors as such a change would affect the very "essence" of the already-passed law.

14. (U) Infuriated by Uri's intransigence, the GNP suggested

that it would resume its boycott. During an April 29 luncheon at the Blue House with floor leaders of the two main parties, President Roh urged his own party to consider a compromise with the opposition. The next day, Uri Chairman Chung Dong-young announced that the party would not give in to the GNP's demands. The GNP subsequently declared that it was resuming its boycott.

¶5. (U) With only 142 of 297 seats in the National Assembly, Uri has reached out to the minor parties in order to meet the quorum of 149. (NOTE: The GNP has 125 seats. END NOTE.) The far-left Democratic Labor Party, which controls nine seats, has offered to cooperate in exchange for postponing a plenary vote on the irregular worker bill (REF B).

ROH-URI DISCORD INCREASING

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¶6. (C) That the Uri Party would so unceremoniously reject a personal plea from Roh suggests that Chung Dong-young's return to the party has not been able to halt the deterioration of relations between the president and his party. On the contrary, many in the Uri Party, including perhaps Chung himself, are irked that Roh has proposed compromise -- seen as a sign of weakness in Korean politics -- just weeks ahead of the crucial May 31 regional elections. With polls continuing to show that Uri is headed for another resounding defeat, Uri leaders have been struggling to reverse the tide.

¶7. (C) Roh's proposal, and Uri's rejection of it, is likely to worsen already strained relations between President Roh and his ruling Uri Party, making it complicated at best for Roh to advance his immediate legislative priorities, including the irregular workers bill and measures to combat real estate speculation, to say nothing of more controversial legislation expected in the months ahead. If, as widely expected, the GNP wins big in the May 31 elections, many in the party will be tempted to put the blame on Roh, whose popularity was sagging in the low 30s until recently (the "Dokdo effect" has seen Roh's approval rating jump into the low 40s). Party leader Chung will also come in for his share of the blame, weakening his grip on the party and his own prospects for the 2007 presidential race.

¶8. (C) See SEOUL 287 for a broader prospective discussion of ROK politics in 2006, including Roh-Uri discord and potential for a major political realignment post May 31.

VERSHBOW